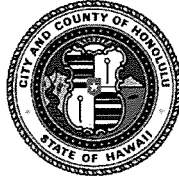


**OFFICE OF THE MAYOR
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PETER B. CARLISLE
MAYOR

DOUGLAS S. CHIN
MANAGING DIRECTOR

CHRYSTN K. A. EADS
DEPUTY MANAGING DIRECTOR

May 31, 2011

The Honorable Nestor R. Garcia, Chair
and Members
Honolulu City Council
530 S. King Street, Room 202
Honolulu, Hawaii 96813

Re: Bill 14, FD1 (Proposed) - Funding for Second Digester at the
Sand Island Wastewater Treatment Plant

RECEIVED
CITY CLERK
C & C OF HONOLULU
2011 MAY 31 PM 2:31

Dear Chair Garcia and Councilmembers:

As you aware, the City and County of Honolulu needs to immediately address its inadequate sludge digestion capacity at the Sand Island Wastewater Treatment Plant. In spite of the need for additional digestion capacity, on May 17, 2011, the Budget Committee deleted the funds requested for the second digester from the FY12 CIP Budget (Bill 14). Without the City Council introducing a FD-1 to reinstate the funds for the digester construction, my alternatives are very limited. It is paramount to protect the City from the exposure to inevitable fines from such a decision. These alternatives may include trucking the excess influent raw sludge to Kailua Regional Wastewater Treatment Plant and the Waianae Wastewater Treatment Plant, lime stabilization with disposal at Waimanalo Gulch Sanitary Landfill, and/or to immediately stop issuing sewage discharge permits that would halt new construction in the Sand Island WWTP service area, which includes the Primary Urban Center. A moratorium on new sewer connections would not be lifted until a permanent solution is funded, permitted, designed and constructed at the Sand Island WWTP. The duration of the moratorium is difficult to project, but 3-5 years is the Department of Environmental Services' preliminary estimate.

The increased wastewater treatment processes implemented to maintain regulatory compliance resulted in the production of significantly more sludge than anticipated when the first digester was constructed at the Sand Island WWTP several years ago. The increase of sludge on the influent side of the digester significantly exceeds the existing digester's design capacity and places the City at risk of regulatory non-compliance.

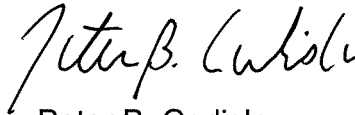
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Page 2

Over the past several years, the City worked with several expert engineering firms to understand the most compliant and cost-effective solutions for the Sand Island WWTP sludge management needs. Anaerobic digestion continues to be recommended and was recently installed at Honouliuli; it is the safest, most reliable treatment, and fiscally responsible option for our community.

I am pleased the City's goal to reduce reliance on landfill disposal as the management option for its sludge was achieved with the first digester. Continuing to achieve this goal is in jeopardy.

In summary, if the City Council decides not to proceed with the immediate funding and development of the second digester, a moratorium on new sewer connections could commence as early as this year, and would not be lifted until a permanent solution is funded, permitted, designed and constructed at the Sand Island WWTP.

Very truly yours,

A handwritten signature in black ink, reading "Peter B. Carlisle". The signature is written in a cursive, flowing style.

Peter B. Carlisle
Mayor